

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6549

BILL NUMBER: HB 1622

NOTE PREPARED: Feb 11, 2003

BILL AMENDED: Feb 10, 2003

SUBJECT: Soil and water conservation district examinations.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill specifies that soil and water conservation districts shall be charged \$45 per day per examiner for examinations by the State Board of Accounts (SBA). Under current law, the districts pay the actual costs of the examinations. This bill also requires soil and water conservation districts to follow the same general claim payment policies as the state.

Effective Date: July 1, 2003.

Explanation of State Expenditures:

Explanation of State Revenues: The average audit for soil and water conservation districts costs about \$500 with an average audit time of about two days. The average cost of the audit as a percent of the budget for all districts ranged from a low of 0.38% in Marion County to a high of 8.54% in Hancock County.

Under the proposal, districts would reimburse the SBA at a rate of \$45 per day per examiner or, on average, \$90, for a difference of \$410 (\$500 minus \$90). All 92 counties have a soil and water conservation district. Multiplying the reduction in revenue of \$410 by the number of districts, or 92, would result in an estimated decrease in revenue of \$37,720. Audits are to be conducted on the districts once every two years, so the annual reduction in revenue would equal \$18,860 (\$37,720 / 2).

Audit fees collected are deposited in the State General Fund.

Explanation of Local Expenditures: (Revised) Soil and water conservation districts statewide could save an estimated \$18,860 per year on audit costs.

Requiring conservation districts to follow the same general claim payment policies as the state could affect local expenditures if following state policies would have an impact on the timing of the payment which could have an impact on the expense. The impact is indeterminable and will depend on existing local policies.

Explanation of Local Revenues:

State Agencies Affected: SBA.

Local Agencies Affected: Soil and Water Conservation Districts.

Information Sources: Larry Tippin, Office Supervisor, Special Districts, SBA, (317) 232-2517.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586